



CITY OF NORTH SALT LAKE

REDEVELOPMENT AGENCY (RDA)
NOTICE & AGENDA
NOVEMBER 30, 2021 – 5:35 PM

Posted November 24, 2021

Notice is given that the City of North Salt Lake Redevelopment Agency will hold a meeting on TUESDAY, NOVEMBER 30, 2021 via Zoom teleconference. The following items of business will be discussed; the order of business may be changed as time permits.

1. Introduction
2. Consideration of **Resolution No. RDA-2021-01R**: A Resolution of the City of North Salt Lake Redevelopment Agency Authorizing the Extension of Collection of Tax Increment for an Additional Two Years in the Highway 89 Community Development Area Due to the COVID-19 Emergency
3. Adjourn

The public is invited to attend all public meetings of the City of North Salt Lake. This meeting will be held via Zoom teleconference. Members of the public are invited to view the meeting electronically at the following link:

<https://us02web.zoom.us/j/82889421623?pwd=YUgxVU9TaW9ieVFzVHkrS0kwcERsdz09>

Meeting ID: 828 8942 1623

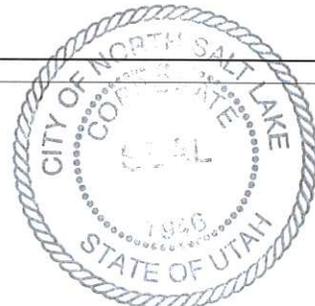
Passcode: 582617

Notice of Posting:

I, the duly appointed City Recorder for the City of North Salt Lake, hereby certify that the foregoing agenda was posted on the Utah Public Notice website, at city hall, and sent to the required newspapers this 24th day of November, 2021.

Dated this 24th day of November, 2021.







CITY OF NORTH SALT LAKE

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Len Arave
Mayor

Ken Leetham
City Manager

MEMORANDUM

TO: City of North Salt Lake Redevelopment Agency Board Members

FROM: Ken Leetham, City Manager

DATE: November 30, 2021

SUBJECT: Consideration of Resolution No. RDA-2021-01R: A Resolution of the City of North Salt Lake Redevelopment Agency Authorizing the Extension of Collection of Tax Increment for an Additional Two Years in the Highway 89 Community Development Area Due to the COVID-19 Emergency.

RECOMMENDATION

I recommend approval of Resolution No. RDA-2021-01R: A Resolution of the City of North Salt Lake Redevelopment Agency Authorizing the Extension of Collection of Tax Increment for an Additional Two Years in the Highway 89 Community Development Area Due to the COVID-19 Emergency.

BACKGROUND

During the sixth special session of the legislature in 2020, Senate Bill 6001 (see attached) was passed which authorized redevelopment agencies under certain conditions to add up to two years to their tax increment collection periods within qualifying project areas due to delays or other barriers to development caused by the COVID-19 emergency. I have studied the Act and have determined that our Highway 89 CDA project area qualifies for this extension. We also have at least one developer within the project area that indicated to me that they have experienced such barriers to their project in the form of delays in obtaining materials and qualified contractors. I do not believe that any other project areas qualify for this extension and that is why I am not recommending any additional action other than within the Highway 89 CDA.

The proposed resolution extends the TIF collection period in the Highway 89 CDA two years from December 31, 2034 to December 31, 2036. The resolution also makes a finding of fact, which is that the delays experienced by the property owners of the Williamsburg project are due to the COVID-19 emergency. The rationale for extending the collection period is that since the project was delayed, the collection of anticipated TIF revenue from that property is also delayed and therefore the number of years of TIF collection on this property will be reduced causing a potential drop in overall Project Area revenues.

This extension does not require the consent of the affected taxing entities, but does require the City to notify those entities once this resolution is approved.

PROPOSED MOTION

I move that the City Council approve Resolution No. RDA-2021-01R: A Resolution of the City of North Salt Lake Redevelopment Agency Authorizing the Extension of Collection of Tax Increment for an Additional Two Years in the Highway 89 Community Development Area Due to the COVID-19 Emergency.

Effective 8/31/2020

17C-1-416 Extension of collection period for project areas impacted by COVID-19 emergency -- Requirements -- Limitations.

- (1) For purposes of this section:
 - (a) "COVID-19 emergency" means the same as that term is defined in Section 53-2c-102.
 - (b) "Extension period" means the period of an impacted project area's project area funds collection period that is the result of an extension under this section.
 - (c) "Impacted project area" means a project area:
 - (i) from which an agency expects to receive tax increment;
 - (ii) that is subject to a project area funds collection period;
 - (iii) that is subject to a project area plan that was adopted on or before December 31, 2019; and
 - (iv) in which the agency determines the conditions resulting from the COVID-19 emergency will likely:
 - (A) delay the agency's implementation of the project area plan; or
 - (B) cause the agency to receive an amount of tax increment from the project area that is less than the amount of tax increment the agency expected the agency would receive from the project area.
 - (d) "Tax increment" includes additional tax increment as that term is defined in Section 17C-1-403.
- (2)
 - (a) Subject to Subsection (3), an agency may extend the project area funds collection period of an impacted project area for a period not to exceed two years from the day on which the project area funds collection period ends if:
 - (i) the board adopts a resolution on or before December 31, 2021, describing:
 - (A) the conditions resulting from the COVID-19 emergency that the board determines will likely delay the implementation of the project area plan or reduce the amount of tax increment that the agency receives from the impacted project area;
 - (B) why an extension of the project area funds collection period is needed; and
 - (C) the date on which the extension period will end; and
 - (ii) no later than November 1 of the year immediately preceding the year in which the project area funds collection period, not including any extension under this section, ends, the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to:
 - (A) the State Tax Commission;
 - (B) the State Board of Education;
 - (C) the state auditor;
 - (D) the auditor of the county in which the impacted project area is located; and
 - (E) each taxing entity affected by the agency's collection of tax increment from the impacted project area.
 - (b) Notwithstanding any other provision of law, an agency is not required to obtain taxing entity or taxing entity committee approval to extend a project area funds collection period under this section.
 - (c) An extension of a project area funds collection period under this section takes effect on the day on which the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to each entity specified in Subsection (2)(a)(ii).
- (3)
 - (a) This section does not allow an agency to change:

- (i) the amount or percentage of tax increment that the agency is authorized to receive from the impacted project area in the final two years of the project area funds collection period; or
 - (ii) the cumulative dollar amount of tax increment that the agency is authorized to receive from the impacted project area, if the agency's receipt of tax increment is limited to a maximum cumulative dollar amount.
- (b) An agency that extends a project area funds collection period under this section shall use any tax increment received during the extension period in the same manner as provided in:
- (i) the project area plan; and
 - (ii)
 - (A) the project area budget; or
 - (B) the resolution or interlocal agreement authorizing the agency to receive tax increment from the impacted project area.
- (c)
- (i) An extension of a project area funds collection period under this section does not automatically extend the payment of tax increment under a previously approved participation agreement for the extension period, regardless of any contrary term in the participation agreement.
 - (ii) An agency that extends a project area funds collection period under this section may only extend the payment of tax increment under a previously approved participation agreement for the extension period by:
 - (A) amending the previously approved participation agreement; or
 - (B) entering into a new participation agreement.
- (d) Nothing in this section limits the right of an agency to extend the agency's collection of tax increment as otherwise provided in this title.

Enacted by Chapter 11, 2020 Special Session 6

RESOLUTION NO. RDA-2021-01R

A RESOLUTION OF THE CITY OF NORTH SALT LAKE REDEVELOPMENT AGENCY AUTHORIZING THE EXTENSION OF COLLECTION OF TAX INCREMENT FOR AN ADDITIONAL TWO YEARS IN THE HIGHWAY 89 COMMUNITY DEVELOPMENT AREA DUE TO THE COVID-19 EMERGENCY

WHEREAS, the City of North Salt Lake Redevelopment Agency (the Agency) met in a regular meeting on November 30, 2021, to consider a resolution authorizing the extension of collection of tax increment for two additional years in the Highway 89 Community Development Area due to the COVID-19 pandemic emergency; and,

WHEREAS, on August 31, 2020, the Utah Legislature, in the Sixth 2020 Special Session, through Senate Bill 6001, amended the Utah Community Development and Renewal Agencies Act (the Act), specifically enacting Utah Code Annotated (UCA) Section 17C-1-416, (the COVID-19 Emergency Extension) which authorized Redevelopment Agencies such as the Agency to extend the collection of tax increment revenues (as defined in UCA Section 17C-1-403) under certain circumstances due to the COVID-19 Emergency; and,

WHEREAS, the COVID-19 Emergency Extension was signed by the Governor of Utah and became law, effective August 31, 2020; and,

WHEREAS, the Agency created the Highway 89 Community Development Area (Project Area) and adopted a Project Area Plan (the Plan) and Project Area Budget (the Budget) on March 29, 2016; and,

WHEREAS, the Budget allows the Agency to collect tax increment revenue from the Project Area through December 31, 2034; and,

WHEREAS, the COVID-19 Emergency Extension specifically authorizes the Agency to extend the Tax Increment collection period in the Project Area by up to two years as an impacted project area if the Agency determines the conditions resulting from the COVID-19 emergency will likely delay the Agency's implementation of the Project Area Plan or cause the Agency to receive an amount of Tax Increment from the Project Area that is less than the amount of Tax Increment the Agency expected to receive from the Project Area; and,

WHEREAS, the Agency has carefully considered the facts and information available to the Agency on whether the COVID-19 emergency will likely delay the Agency's implementation of the Plan for the Project Area or cause the Agency to receive an amount of Tax Increment from the Project Area that is less than the amount of Tax Increment the Agency expected to receive from the Project Area.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City of North Salt Lake Redevelopment Agency as follows:

1. The Agency does hereby find and determine the Project Area is an "impacted project area" as defined in UCA Section 17C-1-416(1)(c) as the Agency expects to receive Tax Increment from the Project Area; the Project Area is subject to a project area funds collection period; the Plan for the Project Area was adopted on March 29, 2016 and the Agency has determined the conditions resulting from the COVID-19 emergency will likely delay the

Agency's implementation of the Project Area Plan and cause the Agency to receive an amount of Tax Increment from the Project Area that is less than the amount of Tax Increment the Agency expected to receive for the Project Area.

2. Certain findings and determinations in Paragraph 1 above are supported by the following specific facts:

- a. The Project Area Budget supports the determination by the Agency under UCA Section 17C-1-416(1)(c)(i) that the Agency expects to receive Tax Increment from the Project Area and the determination by the Agency under UCA Section 17C-1-416(1)(c)(ii) that the Project Area is subject to a project area funds collection period. The project area funds collection period under the adopted Budget allows the Agency to collect Tax Increment from the Project Area through the end of 2034.
- b. The adopted Project Area Plan supports the determination by the Agency under UCA Section 17C-1-416(1)(c)(iii) that the Project Area Plan was adopted on March 29, 2016 which is prior to December 31, 2019.

3. The Agency finding and determination that conditions resulting from the COVID-19 Emergency will likely delay the Agency's implementation of the Project Area Plan is supported by the Project Area Plan and the following specific facts:

- a. The development of the Williamsburg project has experienced significant delays in financing and in finding contractors and supplies due principally to the COVID-19 Emergency. Agency and City staff have been working with land owners in this project and those owners have expressed verbally and in writing that those delays have occurred.

4. The Agency finding and determination that conditions resulting from the COVID-19 Emergency will likely cause the Agency to receive an amount of Tax Increment from the Project Area that is less than the amount of Tax Increment the Agency is expected to receive from the Project Area Budget is supported by the following specific facts:

- a. The delayed development of the Williamsburg project will cause a delay in the commencement of Tax Increment collection for this property which reduces the total number of years that Tax Increment could be collected from this property thereby potentially reducing the total Tax Increment collected within the Project Area.

5. The date on which the extension period will end is December 31, 2026.

6. Agency staff is hereby authorized and directed to mail or electronically submit a copy of this Resolution after adoption to the following affected entities:

- a. the Utah State Tax Commission;
- b. the Utah State Board of Education;
- c. the Utah State Auditor;
- d. the Davis County Auditor;
- e. each taxing entity affected by the Agency's collection of Tax Increment from the Project Area.

7. Agency staff are further authorized to take all other actions necessary, including those actions required to carry out the purposes of this Resolution.

APPROVED AND ADOPTED by the Redevelopment Agency of the City of North Salt Lake this 30th day of November, 2021.

BY THE REDEVELOPMENT AGENCY:

Leonard K. Arave, Chairman

Attest:

Linda D. Horrocks, City Recorder

Agency Board Vote as Recorded:

<u>Name</u>	<u>Vote</u>
Len Arave	_____
Lisa Baskin	_____
Natalie Gordon	_____
Brian Horrocks	_____
Stan Porter	_____